



**Financial Statements and Single Audit Reports  
As of and for the Years Ended December 31, 2007 and 2006**

**Together with Independent Auditors' Reports**



215 South State Street, Suite 800  
Salt Lake City, Utah 84111  
Telephone (801) 532-7444  
Fax (801) 532-4911  
[www.tannerco.com](http://www.tannerco.com)

**TANNER LC**  
THE CRITICAL KNOWLEDGE SOURCE  
BUSINESS ADVISORS  
AND CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

### To the Board of Trustees of Utah Artificial Heart Institute

We have audited the accompanying statements of financial position of **Utah Artificial Heart Institute** (a nonprofit organization) as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Utah Artificial Heart Institute** as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2009, on our consideration of **Utah Artificial Heart Institute's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements of **Utah Artificial Heart Institute** taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2007 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

February 25, 2009

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Statements of Financial Position**

**December 31,**

	<u>2007</u>	<u>2006</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 103,682	\$ 82,709
Receivables	162,427	228,738
Prepaid expenses	9,850	-
Furniture and equipment, net	5,252	13,829
Total assets	<u>\$ 281,211</u>	<u>\$ 325,276</u>
<b><u>Liabilities and Net Assets</u></b>		
Liabilities:		
Accounts payable	\$ 185,223	\$ 159,891
Accrued liabilities	13,966	7,763
Total liabilities	<u>199,189</u>	<u>167,654</u>
Commitments and contingencies		
Net assets - unrestricted	<u>82,022</u>	<u>157,622</u>
Total liabilities and net assets	<u>\$ 281,211</u>	<u>\$ 325,276</u>

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Statements of Activities**

**Years Ended December 31,**

	<b>2007</b>	<b>2006</b>
<b>Change in unrestricted net assets:</b>		
Revenues and support:		
Grant	\$ 763,295	\$ 983,515
Contracts	231,431	444,216
Contributions	43,216	10,588
Other	2,729	3,554
Total unrestricted revenues and support	<u>1,040,671</u>	<u>1,441,873</u>
Expenses:		
Program services	788,896	895,921
General and administrative	321,625	372,887
Fundraising	5,750	3,200
Total expenses	<u>1,116,271</u>	<u>1,272,008</u>
Increase (decrease) in net assets	(75,600)	169,865
Net assets (deficit), beginning of year	<u>157,622</u>	<u>(12,243)</u>
Net assets, end of year	<u>\$ 82,022</u>	<u>\$ 157,622</u>

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Statements of Cash Flows**

**Years Ended December 31,**

	<b>2007</b>	<b>2006</b>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	\$ (75,600)	\$ 169,865
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	8,577	9,530
(Increase) decrease in:		
Receivables	66,311	(62,176)
Prepaid expenses	(9,850)	-
(Increase) decrease in:		
Accounts payable	25,332	(32,715)
Accrued liabilities	6,203	2,421
Net cash provided by operating activities	<u>20,973</u>	<u>86,925</u>
<b>Cash flows from investing activities:</b>		
Purchase of furniture and equipment	<u>-</u>	<u>(7,503)</u>
<b>Cash flows from financing activities-</b>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	20,973	79,422
Cash and cash equivalents at beginning of year	<u>82,709</u>	<u>3,287</u>
Cash and cash equivalents at end of year	<u>\$ 103,682</u>	<u>\$ 82,709</u>

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Notes to Financial Statements**

**December 31, 2007 and 2006**

---

**1. Organization  
and  
Summary of  
Significant  
Accounting  
Policies**

***Organization***

Utah Artificial Heart Institute (the "Organization") is a nonprofit corporation organized to conduct biomedical research.

***Financial Statement Presentation***

The Organization reports information regarding its financial position and activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Concentration of Credit Risk***

A significant portion of the Organization's revenues and receivables are from a government entity (see Note 8). Management performs evaluations of the collectibility of receivables on an ongoing basis and establishes an allowance for doubtful accounts when necessary. Credit risk pertaining to receivables is comprised of numerous factors including the overall economic conditions in the geographic areas in which the Organization's customers are located.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. To date, the Organization has not experienced a material loss or lack of access to its invested cash or cash equivalents; however, no assurance can be provided that access to the Organization's invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets. As of December 31, 2007, cash in bank deposit accounts exceeded federal insurance limits by \$8,370.

***Cash and Cash Equivalents***

The Organization considers all unrestricted, highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Notes to Financial Statements**  
*Continued*

---

**1. Organization  
and  
Summary of  
Significant  
Accounting  
Policies**  
*Continued*

***Receivables***

Receivables are obligations due under normal terms of contracts. Management performs ongoing evaluations of granting agencies and corporate customers. Management reviews receivables on a periodic basis to determine if any receivables will potentially be uncollectible. Receivable balances that are determined to be uncollectible, along with a general reserve, are included in an overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Based on the information available, the Organization's management has determined an allowance for doubtful accounts is not required as of December 31, 2007 and 2006.

***Furniture and Equipment***

Expenditures for furniture and equipment are capitalized at cost. The fair value of donated furniture and equipment is similarly capitalized. Minor replacements, maintenance and repairs, which do not increase the useful lives of property, are expensed as incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period in which the transaction took place.

***Grant Revenue***

The Organization has entered into a government grant contract with a U.S. government entity. Under the grant, eligible costs are reimbursed up to an annual maximum. Grant revenue is recognized as eligible costs are incurred.

***Contract Revenue Recognition***

Revenue is recognized at the time that biomedical research technology and services are provided, a valid contract exists, collection is reasonably assured and there are no further significant obligations remaining.

***Contributions***

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.



## UTAH ARTIFICIAL HEART INSTITUTE

### Notes to Financial Statements

*Continued*

---

**1. Organization and Summary of Significant Accounting Policies**  
*Continued*

***Contributions-Continued***

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

***Donated Property, Equipment, and Supplies***

Donations of property, equipment, and supplies are recorded as support at their estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property, equipment, and supplies are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

***Impairment of Long-Lived Assets***

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through undiscounted future cash flows. If it is determined that an impairment loss has occurred based on expected cash flows, such loss is recognized in the statement of activities.

***Allocated Expenses***

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Notes to Financial Statements**  
*Continued*

**1. Organization and Summary of Significant Accounting Policies**  
*Continued*

***Income Tax Status***

The Organization's income is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for income earned that is not related to the Organization's charitable purposes.

**2. Receivables**

Receivables consist of the following at December 31:

	<u>2007</u>	<u>2006</u>
Unbilled receivables	\$ 95,684	\$ 122,881
Billed receivables	66,743	105,857
	<u>\$ 162,427</u>	<u>\$ 228,738</u>

**3. Furniture and Equipment**

Furniture and equipment consists of the following at December 31:

	<u>2007</u>	<u>2006</u>
Equipment	\$ 122,413	\$ 122,413
Office furniture	4,600	4,600
	127,013	127,013
Less accumulated depreciation	<u>(121,761)</u>	<u>(113,184)</u>
	<u>\$ 5,252</u>	<u>\$ 13,829</u>

Depreciation expense on furniture and equipment for the years ended December 31, 2007 and 2006 was \$ 8,577 and \$ 9,530, respectively.

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Notes to Financial Statements**  
*Continued*

**4. Accounts Payable**

Accounts payable consist of the following at December 31:

	<u>2007</u>	<u>2006</u>
Accounts payable to subcontractors	\$ 133,658	\$ 117,991
Trade accounts payable	51,565	41,900
	<u>\$ 185,223</u>	<u>\$ 159,891</u>

**5. Retirement Plan**

The Organization maintains a 403(b) retirement plan (the Plan). This defined contribution retirement plan covers all full-time employees with at least one year of service. The Plan specifies employer only contributions of 10%, which are immediately 100% vested. Retirement expense for the years ended December 31, 2007 and 2006 was approximately \$15,000 and \$14,000, respectively.

**6. Related Party Lease Commitment**

***Operating Lease***

The Organization has entered into an operating lease with a company that has a common board member. The lease is for office and research space and expires in 2010. Total lease expense for the years ended December 31, 2007 and 2006 was approximately \$108,000 and \$109,000, respectively, of which approximately \$6,000 and \$7,000 represents a non-cash offset to donated rent revenue. Total future minimum lease payments under the noncancellable operating lease are \$102,000 per year through 2010.

**7. Supplemental Disclosure of Cash Flow Information**

Actual amounts paid for interest and income taxes for the years ended December 31, 2007 and 2006, are as follows:

	<u>2007</u>	<u>2006</u>
Interest paid	\$ 150	\$ 851
Income taxes paid	\$ -	\$ -

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Notes to Financial Statements**  
*Continued*

---

**8. Revenue Concentrations**

A government entity is responsible for a significant portion of the Organization's revenues and support. Revenues from the government entity for the years ended December 31, 2007 and 2006 are as follows:

<u>2007</u>	<u>2006</u>
\$ 763,295	\$ 983,515

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Schedule of Expenditures of Federal Awards**

Year Ended December 31, 2007

	<u>Contract Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>Department of Health and Human Services</b>			
Heart and Vascular Diseases Research	1R01HL077085	93.837	\$ 763,295

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Utah Artificial Heart Institute and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



215 South State Street, Suite 800  
Salt Lake City, Utah 84111  
Telephone (801) 532-7444  
Fax (801) 532-4911  
[www.tannerco.com](http://www.tannerco.com)

---

**TANNER LC**

THE CRITICAL KNOWLEDGE SOURCE  
BUSINESS ADVISORS  
AND CERTIFIED PUBLIC ACCOUNTANTS

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To the Board of Trustees of  
Utah Artificial Heart Institute**

We have audited the financial statements of Utah Artificial Heart Institute (the Organization) as of and for the year ended December 31, 2007, and have issued our report thereon dated February 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Utah Artificial Heart Institute's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. As described in Finding No. 07-1 in the accompanying schedule of findings and questioned costs, we have identified a deficiency that we consider to be a material weakness in internal control over financial reporting.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Utah Artificial Heart Institute's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Organization's response and, accordingly, we express no opinion on it.

We noted certain other control deficiencies that we do not consider to be significant deficiencies or material weaknesses that we reported to management in a separate letter dated February 25, 2009.

This report is intended solely for the information of the Board of Trustees, management, others within the Organization, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

February 25, 2009



215 South State Street, Suite 800  
Salt Lake City, Utah 84111  
Telephone (801) 532-7444  
Fax (801) 532-4911  
www.tannerco.com

---

## TANNER LC

THE CRITICAL KNOWLEDGE SOURCE  
BUSINESS ADVISORS  
AND CERTIFIED PUBLIC ACCOUNTANTS

### REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees of  
Utah Artificial Heart Institute

#### Compliance

We have audited the compliance of Utah Artificial Heart Institute (the Organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. Utah Artificial Heart Institute's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Utah Artificial Heart Institute's management. Our responsibility is to express an opinion on Utah Artificial Heart Institute's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Utah Artificial Heart Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Utah Artificial Heart Institute's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.



### **Internal Control Over Compliance**

The management of Utah Artificial Heart Institute is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Utah Artificial Heart Institute's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *control deficiency* the Organization's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we consider the deficiency described in Finding No. 07-1 in the accompanying schedule of findings and questioned costs to be a material weakness in internal control over compliance.

This report is intended solely for the information and use of the Board of Trustees, management, others within the Organization and federal awarding agencies and pass-through entities and is not intended and should not be used by any one other than these specified parties.

February 25, 2009

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Schedule of Findings and Questioned Costs**

Year Ended December 31, 2007

---

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unqualified.

Internal control over financial reporting:

Material weakness(es) identified?              X   yes                   no

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?                   yes              X   none

Noncompliance material to financial statements noted?                   yes              X   no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?              X   yes                   no

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?                   yes              X   none

Type of auditor's report issued on compliance for major programs: Unqualified.

Any audit findings disclosed that are required to be  
reported in accordance with section 510(a) of  
Circular A-133?              X   yes                   no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.837	Heart and Vascular Diseases Research

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?        yes              X   no

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Schedule of Findings and Questioned Costs**  
*Continued*  
**Year Ended December 31, 2007**

---

**Section II – Financial Statement Finding**

Finding No. 07-1 – Segregation of Duties

**Criteria:**

Segregation of incompatible duties is a key component of any system of internal control. The basic premise is that no one employee should have access to both physical assets and the related accounting records.

**Condition:**

During the audit we noted that a lack of segregation of duties existed in the accounting department. This appeared to result primarily from the limited number of personnel available at the Organization to perform accounting functions.

**Effect:**

When this situation exists, the individual may have control of all phases of a transaction; therefore, the likelihood of misappropriation of assets is heightened.

**Recommendation:**

We recommend that approval of journal entries be performed and determined. We also recommend that the employee with access to physical assets not have access to the related accounting records.

**Management's Response:**

The Utah Artificial Heart Institute has policies in place to help minimize the risk associated with the audit finding on segregation of duties. As a very small organization, segregation of duties is difficult due to the limited number of employees. We will continue to monitor accounting functions and implement changes, where possible to improve segregation of duties. As a small organization we will make every effort to maintain segregation of duties as allowed by our size.

**Section III - Federal Award Findings and Questioned Costs**

Finding No. 07-1 – Segregation of Duties described above is also considered a finding under this section.

**UTAH ARTIFICIAL HEART INSTITUTE**  
**Schedule of Prior Audit Findings**

**Year Ended December 31, 2007**

---

**Section II - Financial Statement Findings**

Finding No. 06-1 – Segregation of Duties

**Criteria:**

Segregation of incompatible duties is a key component of any system of internal control. The basic premise is that no one employee should have access to both physical assets and the related accounting records.

**Condition:**

During the audit we noted that a lack of segregation existed in the accounting department. This appeared to result primarily from the limited number of personnel available at the Organization to perform accounting functions.

**Status:**

See repeat finding 07-1.